



News Release

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EARLY TAX RETURNS REFLECT E-FILING'S GROWING POPULARITY

WASHINGTON – The Internal Revenue Service said today that this year's early filers are following a familiar pattern – more electronic transactions and fewer paper ones. More than 16 million returns – nearly 80 percent of those received as of Feb. 7 – arrived electronically.

"E-filing continues to grow because taxpayers see its benefits of more accurate returns and faster refunds," said IRS Acting Commissioner Bob Wenzel. "And more people have access to this through the Free File program on our Web site."

The IRS expects to receive 54 million e-filed returns in 2003, up from 47 million last year. E-filers get their refunds twice as quickly as those using paper returns – in as little as 10 days when they choose Direct Deposit.

About 2.9 million taxpayers have e-filed from their personal computers, a 35 percent increase over the same period last year. The Free File Alliance's nearly 639,000 returns equal almost 90 percent of this increase.

The File Alliance is a partnership involving the IRS and various private companies that offer free e-filing to taxpayers meeting certain criteria. Each company sets its own eligibility requirements, based on such factors as income, age, residence, or military status, but collectively the Alliance must make free e-filing available to at least 60 percent of individual filers.

The early refund statistics show that:

- The IRS has certified \$38.4 billion in refunds, up from nearly \$37 billion at this time last year.
- The average refund is up \$51, to \$2,323 – a 2.3 percent increase.
- Four out of five taxpayers receiving refunds had them deposited directly to their bank accounts. Direct deposit – the fastest, safest and most convenient way to get a refund – is available to all filers.

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2003 FILING SEASON STATISTICS

Cumulative through the week ending 2/8/02 and 2/7/03

	<u>2002</u>	<u>2003</u>	<u>% Change</u>
Individual Income Tax Returns			
Total Receipts	20,947,000	20,738,000	- 1.0
Total Processed	17,110,000	18,052,000	5.5
E-filing Receipts:			
TOTAL	15,498,000	16,445,000	6.1
TeleFile (phone)	1,900,000	1,756,000	- 7.6
Computer	13,598,000	14,689,000	8.0
Tax Professionals	11,470,000	11,825,000	3.1
Self-prepared	2,128,000	2,864,000	34.6
Refunds Certified by the Martinsburg Computing Center:			
Number	16,274,000	16,529,000	1.6
Amount of principal	\$36.972 billion	\$38.401 billion	3.9
Average refund	\$2272	\$2323	2.3
Direct Deposit Refunds:			
Number	12,714,000	13,486,000	1.6
Amount	\$32.405 billion	\$34.497 billion	3.9
Average	\$2549	\$2558	0.4